



Center for Strategic & Regional Studies

Kabul

Weekly Analysis-Issue Number 146 (December 12-19, 2015)

Weekly Analysis is one of CSRS' publications, which significantly analyses weekly economic and political events in Afghanistan and the region. The prime motive behind this is to provide strategic insights and policy solutions to decision-making institutions and individuals in order to help them to design best policies. Weekly Analysis is published in local languages (Pashto and Dari) and international languages (English and Arabic).

In this issue:

- Preface..... 2

TAPI: The Project for Peace and Prosperity

- Background of the TAPI project..... 4
- Regional Rivalries..... 5
- Security Challenges..... 6
- Benefits of the TAPI project for Afghanistan..... 7

SCO and its impacts on Afghanistan

- The Background of Shanghai-5 and Afghanistan..... 10
- Shanghai Cooperation Organization (SCO)..... 11
- SCO's rising interest in Afghanistan..... 11
- Afghanistan and the Regional Diplomacy..... 12
- The 14th SCO summit..... 12

Preface

On 13 December, Afghan President Ashraf Ghani, Turkmen President Gurbanguly Berdimuhamedow, Pakistani Prime minister Nawaz Sharif and the Indian vice President Hamid Ansari officially inaugurated the TAPI Project after a long waiting.

The TAPI gas pipeline is considered one of the important projects of the region, whose larger portion is passing via Herat, Farah, Helmand and Kandahar and more importantly Afghanistan will get \$500 million in transit fees. Moreover, this project will produce thousands of jobs in Afghan economy. This project will cost somehow \$8.5 billion and roundabout its half would be invested in Afghanistan.

TAPI agreement was signed in 2010; however, along with security problems and regional rivalries many other hindrances were present in the way of this project. Hence, Afghan President suggested making a special force to safeguard this route. In this weekly analysis, the historical background, hindrances and the importance of TAPI project is discussed.

In the second part of weekly analysis, the 14th SCO summit in China is discussed. Afghan Chief Executive Officer (CEO) visited China on 13th December to take part in the 14th SCO summit. The SCO summit took place in Zhengzhou, China on 14th-15th December. China, Russia, Tajikistan, Uzbekistan, Kazakhstan, and Kirghizstan are the permanent members of SCO while Afghanistan, India, Mongolia, Iran and Pakistan are the observers of this Organization.

The mutual interests of Afghanistan and SCO, their impacts and moreover the achievements of 14th SCO summit for Afghanistan are discussed in this weekly Analysis.

TAPI: The Project for Peace and Prosperity



After years of talks, the vital project of transporting Turkmenistan's gas to Pakistan and India via Afghanistan has taken an important step toward implementation. The heads of Turkmenistan, Afghanistan, Pakistan and India officially started the construction of this important project in a special ceremony held for this purpose.

The length of this pipeline is 1,735 km of which 200 km is in the soil of Turkmenistan. The pipeline will run from the gas fields in Turkmenistan through Afghanistan and Pakistan to India. It starts from the Galkynysh gas field. In Afghanistan, TAPI pipeline will be constructed alongside the Kandahar–Herat Highway in western Afghanistan. The pipeline will run more than 700 km across Afghanistan on its way to Pakistan and India.

This pipeline project is designed to transport 33 billion cubic meters of gas annually for a period of three decades to Afghanistan, Pakistan and India.

The intergovernmental agreement on the pipeline was signed by senior officials from Turkmenistan, Afghanistan, Pakistan and India on 11 December 2010 in Ashqabat and the work of its survey ended in 2014.

Background of the TAPI project

The roots of this project lie in the involvement of international oil companies at the beginning of 1990s. At the beginning, Argentinian company Bidas Corporation and American company Unocal were competitors. Turkmenistan was hoping that this project would be implemented after security was provided in Afghanistan. Supporters of a conspiracy theory also consider the fall of Mujahedeen Government led by Prof. Rabbani and emergence of the Taliban movement in Afghanistan linked with this project. Taliban's attempts for starting this project faced with obstacles, like presence of Osama Bin Laden in Afghanistan and etc., by the United States and became delayed, then.

With American attacks on Afghanistan and the fall of the Taliban, America, in Afghanistan, provided power to those people, including President Karzai, who were former employees of Unocal. Specifically, Zalmay Khalilzad, who had also worked as a senior advisor to Unocal, had a major role in these appointments. Once again, rumors on transporting Turkmenistan's gas to South Asia through Afghanistan were being heard in which American companies would have important role, however, America's war against so-called "terrorism" caused further insecurity in Afghanistan and the daily expansion of these insecurities caused the TAPI project to become stall.

Regional Rivalries

The most important reason behind the postponement in construction of this project was insecurity. After 2001, a wave of insecurities in Baluchistan province came to the ground and the Pakistani government launched several military operations in this area, then; Akbar Bukti, the leader of Baluches became killed as a result of one of these operations, also. On the other hand, insecurities in Southern Afghanistan, specifically in the areas that the TAPI pipeline was passing through, increased after 2004 and 2005. In Addition to insecurity, disagreement over the sales prices and transit fees of the TAPI gas pipeline had main role in the postponement of this project. Despite these factors, the regional rivalries also played a role in delaying the TAPI project.

Since the early 90s, Iran made great efforts by providing high incentives to Pakistan and India to dissuade them to agree to the “TAPI” project and to choose the route of Iran, instead; however, these efforts were not successful. Two well-known American companies were interested in succeeding the TAPI gas project and removal of Afghanistan from and integration of Iran to this project could be considered as a setback to American energy interests in the region; Afghanistan and America did not let the route of TAPI to become change and Afghanistan to be removed from this economic project.

Although, Pakistan and India desperately need energy, but the rivalry between the two countries was also effective in delaying this project. Pakistan wanted to prevent close ties between Afghanistan and India; therefore, it was willing to enter Tehran instead of Kabul to this circle and for TAPI to be turned into TIPI (Turkmenistan-Iran-Pakistan-India). In this case, the gas pipeline from Turkmenistan was passing through Iran’s eastern provinces, and then, it was entering to Quetta, the Capital of Baluchistan province. By all accounts, the deformation of the Turkmenistan-Afghanistan-Pakistan-India project to Turkmenistan-Iran-Pakistan-India project was becoming something that Tehran was so interested in. Removal of Afghanistan from this route could put Pakistan in a better position to put pressure on India, then.

Iran also tried to sign a separate contract and transfer its gas through another pipeline named Iran-Pakistan-India (IPI) to Pakistan and India. However, this project was postponed due to American economic sanctions against Iran.

Any country that is on the route of the pipelines of gas and oil will gain strategic importance for having control on a part of the transit of energy and even it will affect the fate of the world, also. As each passing day, the division of power in the world is influenced by energy and its transmission routes that are in change, and Afghanistan, as a path between energy producing countries on a hand, and on the other hand, are countries in need of these resources will gain special importance not only in the region but also in the world.

Security Challenges

Insecurity in Afghanistan is a major problem toward this project, because a large part of this pipeline passes through the areas that are under control or influence of the Taliban, and if they wish, this project will not be implemented. For this reason, the representatives of the Taliban were taken in confidence in the entire stages of the TAPI negotiations. As the project will create job opportunities for tens of thousands of Afghans and it is considered as an important national project, so the Taliban will have soft and different approach to this project compare to other projects. Besides that, the Taliban will be afraid of that if this project was not implemented due to their prohibition, their “soft power” would be hurt badly.

In the latest round of talks, representative of the Taliban’s political office in Qatar traveled to Turkmenistan and met Turkmen officials. Last year, a spokesman for the Taliban, after the survey of this project was completed, said that the Taliban has agreed to refrain from attacking this project. The Afghan security officials said that they are going to establish a task force to provide security for the project, however, in the circumstances that war is spread to a large part of Afghanistan and the government is faced with the problem of handling districts and now and then some districts fall into Taliban's hand, providing security for the construction

of 735 km pipeline will require tens of thousands of troops that the government of Afghanistan cannot afford it. Hence, the TAPI project will have extraordinary benefits for the Taliban both in the financial sector and their prestige on the international level.

But other than security challenges, lack of good governance in Afghanistan and presence of widespread corruption in this country could be considered as an obstacle in front of implementation of this project. These conditions caused tens of billions dollar of the international community to Afghanistan in the past fourteen years not to be used optimally.

It starts from the Galkynysh gas field. In Afghanistan, TAPI pipeline will be constructed alongside the Kandahar–Heart Highway in western Afghanistan, and then via Quetta and Multan in Pakistan. The final destination of the pipeline will be the Indian town of Fazilka, near the border between Pakistan and India. This route has faced insecurity not only in Afghanistan but it also in Pakistan. Baluch separatists have been active in this area that sometimes the Pakistan, itself, does sabotage operations on the pipeline of gas. Pakistan has also promised to secure the route.

Benefits of the TAPI project for Afghanistan

Afghanistan's location as a bridge between Central Asia and South Asia becomes prominent with this project. This project can be considered as a test in the current situation that if it is succeeded, it will be followed by other big projects that will change Afghanistan completely in the next 20 years.

The annual benefit of this project after the deposit of the operation would be approximately \$500 million for Afghanistan; but also before exploitation, this project, directly or indirectly, will provide employment opportunities for about 50 thousand Afghan workers. Rise in incomes causes mobility in the Afghan economy and it leads to indirect positive effects on the overall economy of Afghanistan.

This project will enhance the role of Afghanistan in the regional economic balances as a strategic partner to this region from one hand, and from the other, for controlling the most important gas pipeline in Asia. The US wants the income of this pipeline to reduce the dependence of Afghanistan on American assistance.

Although, the main purpose of the TAPI project is transferring gas from Turkmenistan to Pakistan and India, but according to the contract, Afghanistan can also get use of this gas in provinces that the pipeline of gas is passing through. On the other hand, if Afghanistan became able to extract the gas from its own resources, it will be possible for it to transfer its own gas to Pakistan and India through this pipeline or puts its gas at one point in this pipeline and at another point, utilize it for internal usage within the country.

One of the major achievements of this project, if succeeded, could bring peace and stability especially in the areas where the pipeline is passing through. This route could be called “Peace Route” and this route, in the areas located alongside it, can provide opportunities that would cause peace negotiations to take place between the government and the armed opposition without the interference of the foreigners.

This project, through economic cooperation, can change the course of the proxy war between the regional counties in Afghanistan and it can empower regional integration, also. Economic interests tied by the project will help peace and stability in Afghanistan and it will cause the peaceful treatment of the Afghan crisis to be put in the priorities of the regional countries. So, it is not pointless that this pipeline is named “The Pipeline of Peace”.

SCO and its impacts on Afghanistan



Representatives of the member states of Shanghai Cooperation Organization (SCO) came together in the 14th Heads of Government Council meeting of SCO in Zhengzhou, the capital of the central Henan province of China on 14-15 December, 2015. CEO of the Afghan government, Dr. Abdullah Abdullah also participated in this meeting.

The Afghan CEO had meetings with premiers of Russia, China, Kazakhstan and Tajikistan and the Indian Minister of State for External Affairs on the sidelines of the latest meeting of this organization.

The background of SCO and Afghanistan and their impacts on each other, the factors behind SCO's interest in Afghanistan and the Afghan regional diplomacy in latest years are analyzed here.

The Background of Shanghai-5 and Afghanistan

After the Soviet invasion of Afghanistan, the interference of regional and international countries increased in this country; however, with the withdrawal of Soviet forces from Afghanistan, regional interference not only stopped but it was increased also. The reason behind these interferences was that the most of the countries present in Afghanistan were divided into two blocks during the soviet invasion: **A:** Pro-Soviet countries; **B:** Pro-Mujahedeen countries. Therefore, the war was between these two blocks at all. However, the war changed its course after the soviet soldiers withdraw from the country and the war started among proxy groups of different countries. At the time, the war did not start between two blocks, but it started among several regional rivals. Civil War initiated in Afghanistan due to this proxy war and it became famous for the land of so-called “radicalism, terrorism, narcotics and separates”.

Five regional countries became influenced by the situation of Afghanistan in 1996; they gathered and established the Shanghai-5 Organization. These five countries were: China, Russia, Kazakhstan, Kirghizstan and Tajikistan; because, at that time, 3 countries out of these 5 were impacted by the situation in Afghanistan. Russia has faced the uprising of Muslims in Abkhazia and Bosnia; the civil war had been started with Islamic Movement of Tajikistan and former Tajik Communists and the Eastern Turkistan Party had upraised in China.

Besides that, the other factors behind establishing this organization were implementation of “Brzezinski's Eurasian Theory” and formation of geo-politic alliance against American in the post-cold-war era.

At the beginning, in general, the aim of the organization was focused on trust-building between member states and non-militarizing that borders; however, the struggle against radicalism, terrorism and separatism became included in the goals of this organization.

Shanghai Cooperation Organization (SCO)

In 2001, with the addition of Uzbekistan the Shanghai-5 changes its name into Shanghai Cooperation Organization (SCO). In 2004, Mongolia became the first observer of SCO, in 2005 India and Pakistan also became observers and in 2012, due to Chinese support, Afghanistan was also awarded as an observer of this organization.

In 2015, SCO grant memberships to India and Pakistan and by 2016 they would start as permanent members of SCO.

Shanghai Cooperation Organization is working as a forum for the mutual trust, neighborly relations and boost cooperation in politics, trade, economy, culture and education, energy and transport between its members.

SCO's rising interest in Afghanistan

During the 1990s, the members of Shanghai-five (predecessor of SCO) expressed deep worries about Afghan situation. In 1998, the foreign ministers of the shanghai-five members expressed their anxiety on the tense situation in Afghanistan; in 1999, it expressed 'deep worries', in 2000, the defense ministers of Shanghai-five expressed 'grave concern'.

In the post-2001, the SCO not only condemned terrorist attacks of 9/11 but also supported US operation enduring freedom in Afghanistan. Moreover, some of SCO members also give military bases to American forces.

After 2004, when the insecurities rose and the opium production in Afghanistan increased, the SCO made a contact group in 2005 on Afghanistan. In 2009, it called a special conference about Afghanistan and later in 2012 it made Afghanistan an observer in SCO.

The SCO growing interests in Afghanistan is due to the production of Opium and its trafficking to SCO member countries, and concerns about terrorism, extremism and separatism.

Afghanistan and the Regional Diplomacy

In general, Afghanistan's foreign policy is transforming since 2009 but more specifically it moved more towards regional diplomacy with the Presidency of Ashraf Ghani. Kabul established closed relation with Central Asian republics (CASA-1000 and TAPI); closed ties with Pakistan and China; taking military assistance from Moscow and Delhi and in the issue of Yemen it published a pro-Saudi statement. These are the steps that can show that the country has moved more towards regional diplomacy. On the other hand, requesting for membership in Chinese AIIB bank and SCO permanent membership, the recent RECCA and Heart of Asia conferences are also its examples.

The 14th SCO summit

The SCO concerns about Afghanistan have been increased due to Afghanistan's situation; that's why the SCO has given more attentions to Afghanistan. Therefore, the ongoing 14th SCO summit was important for Afghanistan.

The importance of SCO summit is as follows:

- **Request for the permanent membership of SCO:** In this summit, Afghanistan requested for permanent membership in SCO, which would impact Afghanistan in security, economic and diplomatic sectors.
- **Sino-Afghan relations:** Afghan CEO Abdullah Abdullah visited China to attend SCO summit on Chinese Vice President's request when he later visited Kabul. Afghan CEO met with Chinese Prime Minister, the agenda of their meeting were: bilateral relations, Afghan Peace Process and Investment. In this meeting the Afghan side once again requested China to use its influence on regional countries to sincerely cooperate with Afghanistan. The Chinese side reiterated its support from Afghan peace process and called stability of Afghanistan, stability of China. Moreover, the Afghan side talked about the prospects of investment in Afghanistan and emphasized Chinese investment in

Water, Energy, and building infrastructure. The Chinese Prime minister promised to encourage Chinese investors to invest in Afghanistan, however, told the afghan side to take proper measures for the safety of Chinese workers and investors.

- **Relations with regional countries:** Afghan CEO Dr Abdullah Abdullah at the sidelines of 14th SCO summit met with the prime ministers of few regional countries. He invited Kazakhstani Prime minister to Kabul, talked with Russian Prime minister on security and economic cooperation and moreover talk on bilateral ties with Tajik and Indian delegation.

The End

Contact Us:

Email: info@csrskabul.com - csrskabul@gmail.com

Website: www.csrskabul.com - www.csrskabul.net

Office: (+93) 784089590

Contact with Officials:

Dr. AbdulBaqi Amin, General Director of CSRS: (+93) 789316120 abdulbaqi123@hotmail.com

Hekmatullah Zaland, Research and Publication Manager: (+93) 775454048 hekmat.zaland@gmail.com



Note: Please let us know your feedback and suggestions for the improvement of Weekly analysis.